

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral

BILL NUMBER: AB 2659
AUTHOR: Blumenfield, Bob

BILL SUMMARY: Unemployment insurance: shared work.

This bill would require the Employment Development Department (EDD) to develop and implement an outreach plan to inform employers of the existing Work Share program, as specified.

FISCAL SUMMARY

The EDD estimates the cost of the outreach that would be required by this bill would be minor and absorbable because the provisions could be incorporated into the department's ongoing outreach planning.

COMMENTS

The Department of Finance is neutral on this bill because it may increase participation in the Work Share program by California employers as a means to retain an experienced workforce during these challenging fiscal times without increasing the employer's cost.

Existing law establishes the Work Share program which allows for the payment of unemployment insurance benefits to individuals equal to the percentage of reduction of the employee's wages resulting from a reduction in work time. The objective of the Work Share program is to help employers and employees avoid some of the burdens that accompany a layoff situation. If employees are retained during a temporary slowdown, employers can quickly gear up when business conditions improve. Employers are spared the expense of recruiting, hiring, and training new employees. Employees are spared the hardship of total unemployment.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP					Fund		
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
7100/EDD	SO	No		-----	No/Minor Fiscal Impact	-----			0870
<u>Fund Code</u>	<u>Title</u>								
0870	Unemployment Administration Fund								

Analyst/Principal (0240) J.Morozumi	Date	Program Budget Manager Lisa Ann Mangat	Date
Department Deputy Director			Date
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)